

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

NOTICE OF MARKET-DOMINANT
PRICE ADJUSTMENT

Docket No. R2015-4

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
QUESTION 6(E) OF CHAIRMAN'S INFORMATION REQUEST NO. 3**
(February 5, 2015)

The United States Postal Service hereby provides its response to question 6(e) of Chairman's Information Request No. 3, issued on January 28, 2015. The question is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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6. The following request seeks to reconcile differences between the billing determinants reported for Special Services in the Market Dominant Price Adjustment in Docket No. R2015-4 (Rate Case) and billing determinants reported in the Postal Service's 2014 Annual Compliance Report in Docket No. ACR2014 (ACR Proceeding). Please refer to Library Reference USPS-LR-R2015-4/5 in the Rate Case, Excel workbook, "CAPCALC-SpecServ-R2015-4.xlsx," and to Library Reference USPS-FY14-4, Excel workbook "FY 2014 Special Services and Free Blind.xlsx" in the ACR Proceeding. If changes to "CAPCALC-SpecServ-R2015-4.xlsx" are required, please update and resubmit that workbook.

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- e. The cap calculations in Excel file "CAPCALC-SpecServ-R2015-4.xlsx" do not appear to include billing determinants and prices for the late payment charge for Address Correction Service. Please identify the location of these amounts in the file or provide revised cap calculation worksheets, as applicable.

RESPONSE:

- e. Although the Postal Service does not believe that a late fee should be considered a price increase under the price cap, calculating a price cap impact would require detailed data on the number and duration of late payments during FY2014. The Postal Service is not able to gather this information in the next few days. To avoid holding up the schedule for the entire price change case, the Postal Service is withdrawing this proposal. Revisions to the Mail Classification Schedule (Attachment A to the Notice) will be filed soon.